

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1173

AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 10-12-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Benefits provided under this section are subject to IC 10-12-2-3.

(b) The basic monthly pension amount may not exceed by more than twenty dollars (\$20) one-half (1/2) the amount of the employee beneficiary's average monthly wage (excluding payments for overtime and determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code) received during the highest paid consecutive twelve (12) months before retirement. Salary that exceeds the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's ~~third~~ **sixth** year of service may not be considered when the basic pension amount is computed.

(c) An employee beneficiary in the active service of the department who has completed twenty (20) years of service after July 1, 1937, and who continues after July 1, 1937, in the service of the department is entitled to add to the basic monthly pension amount, at retirement, the following:

- (1) Two percent (2%) of the basic amount for each of the next two
- (2) full years of service over twenty (20) years.

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- (2) Three percent (3%) of the basic amount for each of the next two (2) full years over twenty-two (22) years.
- (3) Four percent (4%) of the basic amount for each of the next two (2) full years over twenty-four (24) years.
- (4) Five percent (5%) of the basic amount for each of the next two (2) full years over twenty-six (26) years.
- (5) Six percent (6%) of the basic amount for each of the next two (2) full years over twenty-eight (28) years.
- (6) Seven percent (7%) of the basic amount for each of the next two (2) full years over thirty (30) years.
- (7) Eight percent (8%) of the basic amount for each of the next two (2) full years over thirty-two (32) years.

However, the total of the additional amount may not exceed seventy percent (70%) of the basic pension amount. These additional benefits are subject to the compulsory retirement age provided by the pension trust.

SECTION 2. IC 10-12-4-9 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) The basic monthly pension amount (plus postretirement increases) payable after June 30, 2007, to an employee beneficiary of the state police 1987 benefit system who retired or was disabled after June 30, 1987, and before July 2, 2005, shall be increased by one percent (1%) of the maximum basic monthly pension amount payable to a retired state police employee in the grade of a trooper who has completed twenty-five (25) years of service as of July 1, 2007, as calculated under section 7 of this chapter.**

(b) The increases specified in this section:

- (1) shall be based on the date of the employee beneficiary's latest retirement or disability;**
- (2) do not apply to the benefits payable in a lump sum; and**
- (3) are in addition to any other increase provided by law.**

SECTION 3. IC 10-12-4-10 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. (a) The basic monthly pension amount (plus postretirement increases) payable after June 30, 2008, to an employee beneficiary of the state police 1987 benefit system who retired or was disabled after June 30, 1987, and before July 2, 2006, shall be increased by one percent (1%) of the maximum basic monthly pension amount payable to a retired state police employee in the grade of trooper who has completed twenty-five (25) years of service as of July 1, 2007, as calculated under section 7 of this**

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chapter.

(b) The increases specified in this section:

- (1) shall be based on the date of the employee beneficiary's latest retirement or disability;
- (2) do not apply to the benefits payable in a lump sum; and
- (3) are in addition to any other increase provided by law.

SECTION 4. IC 10-12-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall: ~~annually~~:

- (1) ~~annually~~ provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3; and
- (2) ~~meet at least one (1) time each year to~~ add to the regular pension benefit or annuity ~~and any previously granted supplemental benefit equal to fifty percent (50%) of the difference between:~~

~~(A) the retiree's pension amount; and~~

~~(B) the pension benefits received by an employee retiring from the department after July 1, 1970; with twenty (20) years of active service;~~

~~the amount described in subsection (c).~~

(c) The supplemental benefit referred to in subsection (b)(2) is equal to fifty percent (50%) of the difference between:

- (1) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service the day after a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service; and
- (2) the lesser of:

~~(A) the pension benefit received by the employee beneficiary; or~~

~~(B) the pension benefit received by an employee retiring from the department with twenty (20) years of active service the day before a change in the monthly wage received by a police employee in the grade of trooper at the beginning of the trooper's sixth year of service.~~

SECTION 5. IC 10-12-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the fifty percent (50%) increase provided in section 3 of this chapter, at the rate of a five

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percent (5%) per year **increase** for each year of active service over twenty (20) years up to thirty (30) years of service, ~~to provide that retired employees with thirty (30) years of service are entitled to one hundred percent (100%) of the regular pension benefits of employees who retire with twenty (20) years of active service after July 1, 1970;~~ **as calculated in section (3)(c) of this chapter.**

SECTION 6. IC 10-12-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The pension advisory board ~~shall~~ **may meet at any time to** make the necessary computations required by this chapter. ~~on or before August 1 of each year preceding a session of the general assembly.~~

(b) The general assembly shall appropriate and the budget agency shall make available an amount sufficient to provide the funds necessary for supplemental pension benefits for eligible retirees under this chapter.

SECTION 7. **An emergency is declared for this act.**

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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